

MASTR

FRACTIONAL CURRENCY COLLECTORS BOARD
C/o M.R. Friedberg
2537 Claver Rd.
Cleveland, OH 44118

April 15, 1989

SPRING 1989 NEWSLETTER AND CALL FOR ANNUAL MEETING

Our Annual Meeting is scheduled for Saturday June 24, 1989 in conjunction with the 13th Annual International Paper Money Show. The show is held from June 23-25 at Memphis, Tennessee in the Memphis Convention Center with the Holiday Inn Crown Royal as the Convention Hotel.

We depart from our past practice of separate dinner meetings and public programs to eliminate the dinner meeting. President Hales is arranging time and place with the show and you are requested to check their published schedules for exact meeting data. Subjects to be covered include election of officers, reissue of the "ENCYCLOPEDIA", dues, complaints and then perhaps we will join in a learning experience from and with other devotees of Fractional Currency.

Remember that member Mart Delger is the show Exhibit Chairman and always draws the best group of Fractional Exhibits for us. Again, Len Glazer presents an award to the outstanding exhibitor.

Attached to this newsletter is a collection of items that hopefully add to your store of knowledge. We gratefully accept your editorial contributions...

- 1- Membership applications for your use in securing new members...
- 2- Current Membership list.
- 3- A discussion of the terms "Proof & Essay"
- 4- A BNR article re "Trompe d'oeil"
- 5- A Martin Gengerke note re bad auction cataloging.
- 6- A Club Thank You To Stack's for our 1989 ANA Club dues
- 7- A Nancy Wilson Article
- 8- A reprint of a cross reference to 2nd issue by Ed Collins
- 9- Catalog page listing the Wm. Newton Forerunner
- 10- The Charles Burt Small "Eagle" Vignette
- 11- "Psychological Monopoly" article about American Bank Note Company
- 12- Canadian Fractional
- 13- Woman BEP printers
- 14- M.R. Friedberg article on Postal Currency
- 15- Obsolete \$2 Note "Redeemable for Postage"

Looking forward to seeing you all at Memphis.

APPLICATION FOR MEMBERSHIP
THE FRACTIONAL CURRENCY COLLECTORS BOARD

C/o M.R. FRIEDBERG
2537 CLAVER ROAD
CLEVELAND, OHIO 44118

ATTACH \$15.00 FOR DUES FOR THE PERIOD ENDING JUNE 15 WHICH INCLUDES A \$5 NEW MEMBER CHARGE FOR THE LATEST UPDATE TO THE M.R. FRIEDBERG "INDEX TO THE ENCYCLOPEDIA OF UNITED STATES FRACTIONAL & POSTAL CURRENCY." MEMBERS RECEIVE NEWSLETTERS AS ISSUED AND HAVE FULL VOTING PRIVILEGES. ANNUAL MEETINGS ARE HELD EACH JUNE IN CONJUNCTION WITH THE "MEMPHIS PAPER MONEY SHOW" AT MEMPHIS, TENNESSEE.

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COLLECTOR ?..... DEALER ?..... COLLECTOR/DEALER ?.....
MEMBERSHIP RECOMMENDED BY.....
DATE SUBMITTED/.../..

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THE STANDARD CATALOGUE OF ENCASED POSTAGE STAMPS



Michael J. Hodder
© David Rowers

FCCB MEMBERS -
A MOST EDUCATIONAL BOOK THAT SHOULD
BE IN YOUR LIBRARY - THIS IS AN
EXCERPT FROM THE INTRODUCTION
AND DISCUSSES "POSTAGE CURRENCY"
MILT F.

Historical Background

The outbreak of the Civil War in 1861 caught the United States Treasury and Mint off guard, and the economic threat to the safety of the Union seems to have caused panic among those entrusted with the commercial health of the country. The result was a decline in the numbers of subsidiary silver coins struck and released for circulation. Beginning in 1862, the public hoarded coins, at first the larger denominations, but eventually even one-cent pieces. Widespread hoarding of available silver coins by the public, and the government's failure to provide a circulating coin medium adequate for trade, forced the people to supply their own needs with currency expedients in the form of cardboard "good-fors," copper tokens, and government stamps of all sorts.

This untenable situation had its beginning in December 1861 when Washington announced that it was suspending all specie payments. The effect of this ill-conceived measure was immediate. By January of 1862 subsidiary silver coinage began disappearing from circulation at a rapid rate. At the beginning of January \$100 in paper currency was worth \$97 in gold in New York City. By January 10 the exchange rate had fallen to \$95.24 and brokers began offering a 1% premium over face value for all silver coins. In the face of a rapidly declining paper dollar, the suspension of specie payments, and the general uncertainty in the early years of the war about its final outcome, the public began hoarding silver and even copper-nickel coins, and the shortage began to become acute.

The government's response was to authorize the first issue of "greenback" currency notes, on February 25, 1862. By the end of June of that year over \$100 million had been released, but this measure only served to drive the value of silver and gold higher. In New York City a paper greenback was worth 97 cents in gold in May of 1862; by mid-June its value had dropped to 95 cents, and by the end of that month a paper dollar was worth 92 cents in gold. The differential offered brokers an opportunity for profit, and large amounts of silver coins were soon on their way to Canada, where they could be exchanged for gold which was then imported back to the North and exchanged for more silver. Neil Carothers, in *Fractional Money*, stated that over \$25 million worth of silver coins vanished from circulation in the North during the summer of 1862, due to export and hoarding. The Treasury Department had estimated that \$27 million worth of silver was in circulation at the beginning of 1862. Even given the inaccur-

racies of both estimates, it should be clear that the North was faced with a severe shortage of silver coins by the middle of 1862.

In the urban centers of the North the shortage affected the small retailers and the urban transportation companies the hardest. Large stores with high business volume still made change using silver coins, but even they were charging a premium over the face values. In New York in July the premium reported by the *New York Tribune* was 5-6%. The *Chicago Tribune* reported on July 11 that the premium was 13%. Small retailers and service companies, lacking such access to silver, had to resort to other means of providing their customers with the means to make change. Cardboard "good-fors" began to appear, printed with the name of the establishment that issued them and exchangeable good for a meal, a drink, a trip (or a fraction of a trip) on a tramline, or whatever the service provided.

By mid summer 1862, public voices began to decry the government's failure to answer the pressing need for more silver coins, and suggestions were made for temporary expedients to alleviate the shortage. In the *New York Tribune* of July 9 Horace Greeley recommended that postage stamps be used in lieu of coins for small transactions. He suggested that stamps could be pasted onto one half of a sheet of paper, and that the other half folded over the stamps would protect them from the elements. Government postage stamps had already been appearing in the hands of commuters and customers of retail stores, but in their normal state stamps were a poor substitute for coins. They were printed on thin paper which tore or wrinkled easily, and the glue on their backs made them stick to wet fingers and gloves.

Greeley's suggestion was adopted by several New York firms almost immediately. John Gault was not the only person to devise a means of increasing the circulation life of postage stamps in the summer and fall of 1862. In July 1862, a month before Gault received his patent, the New York firm of Leeds and Franklin was selling stamps pasted onto boards at a 2½% premium over face for amounts under \$100. On July 16 the company wrote to Postmaster General Blair, soliciting his approval of their scheme and requesting a dedicated supply of stamps to be furnished to them. Blair's reply is unrecorded, but knowing his feelings about the effects of the Act of July 17, 1862, he probably did not give his sanction.

In Newport, Rhode Island, the William Newton & Co. firm of grocers had notes printed dated July 4, 1862 in the denominations of 5c and 10c, 25c, and 50c. The former bore one 3c and two 1c stamps pasted on, while the latter bore three 3c and one 1c stamp. These were issued in small numbers. Each carried the following warning at the bottom of the note: "Unless kept clean these stamps will be useless for circulation and Post Office purposes." An example of each was owned by Henry Russell Drowne and shown in the July 1913 issue of *The Numismatist*.

In Washington, Secretary of the Treasury Salmon P. Chase wrote to Congress on July 14, urging that an increased supply of small change be made available to the public and suggesting that government stamps be legal-

ized as currency for small transactions. Down the hall from Chase's office, Treasurer Francis E. Spinner had already decided to use stamps for some business. Spinner's office was pasting stamps onto sheets of Treasury Department letterhead which were cut to uniform size, many of which bore his signature, in amounts of 5c, 10c, 25c, and 50c. He had even arranged with the Washington Post Office that soiled or disfigured stamps would be redeemed for new ones. Spinner's expedient later became the inspiration for the first postage currency issue of August 1862.

Public outcry, Chase's suggestion, Spinner's example, and the country's need led Congress to adopt the Act of July 17, 1862, an imprecisely worded emergency measure taken without adequate consultation with the Post Office Department on whose shoulders the burden of the Act would fall. The Act immediately authorized the Treasury to supply all forms of government stamps to assistant treasurers, who were empowered to exchange the stamps for greenbacks. By August 1 stamps were to be redeemable for greenbacks at all Treasury offices, and were made receivable for all government dues in amounts under \$5.

The Act made no provision for giving stamps legal tender status, nor did it provide for increasing the number of stamps to be printed to supply the proposed increased demand. In fact, Postmaster Blair was not even consulted about the proposed legislation before its passage. When the Act passed, Blair was faced with the need to increase the numbers of postage stamps being printed by the National Bank Note Company of New York. If this was not bad enough, the public interpretation of the Act soon made matters worse for the Post Office.

When the wording of the Act was published in Northern newspapers the public made the inevitable misinterpretation its general wording ensured. To the average man, the Act seemed to make government stamps of all kinds legal tender in small amounts. The immediate result was a run on local post offices, where stamps could be bought for greenbacks at par values.

The Annual Reports issued by the Post Office Department reveal the full and quite unforeseen impact of the legislation. In the first quarter of fiscal year 1862 \$1.9 million worth of stamps were sold in all post offices of the North; in the second quarter, \$1.8 million were sold. In the third quarter of that year, when figures reflect the increased public demand following passage of the Act of July 17, the amount sold rose to \$3.2 million, or nearly double the amount previously. When the numbers of stamps sold by denomination between September 1861 and June 1862 are compared with those sold between September 1862 and June 1863, the number of 1c stamps sold increased over that term by 14.6%, the number of 3c stamps increased by 41%, the number of 5c stamps sold increased by 115.5%, and the number of 10c stamps sold increased by 40%. These smaller denominations corresponded to contemporary coin denominations. The numbers of 24c and 30c stamps sold also increased, by 16% and 10% respectively,

while the sales of 12c and 90c stamps showed a decline, of 5% and 20% respectively.

Faced with the clamorous demand for stamps at his local post offices and smarting under what he correctly felt was Congress's failure to provide his department with the means to meet the increased demand for stamps, Postmaster General Blair began taking steps to limit the unforeseen effects of the Act of July 17.

When the New York City postmaster exhausted his supply of stamps due to public demand, Blair telegraphed ordering him to "Restrict sales of postage stamps to former customary amount per diem, as this department is not to furnish postage stamps for currency." In September 1862 Third Assistant Postmaster General A.N. Zevely sent a notice to the *United States Mail*, a publication whose readership included post office employees and managers, saying:

Sir: The recent demand by the public for postage stamps, under an erroneous impression with regard to the law authorizing the issue of "postage currency," has entirely exhausted the surplus stock, and the Department is now dependent upon the daily manufacture to meet the requisitions of postmasters. Sales of stamps must therefore be restricted to such as may be needed by the public for prepayment of postage, the ordinary demand at any office being the guide.

The key to the Act, which made the public believe that government stamps could be a currency substitute, was the implication that postage stamps could be redeemed at post offices for greenbacks, if not coins. Blair tried to limit the effect of this by requiring that the minimum redemption amount of stamps at post offices be \$5. Further, he resisted for as long as he could the ever growing public and political pressure for full redemption of all stamps at his post offices. His resistance was in vain, however.

In the December issue of the *United States Mail* Blair published the rules issued to postmasters which would govern the redemption of stamps used as currency. The rules were made cumbersome and required minute examination of each stamp offered for redemption. Stamps were to be made up into parcels of at least \$5 value, the parcels to bear the owner's name, the amount contained by denomination, and only stamps obviously showing signs of use as currency were to be accepted for redemption. Any new stamps were refused, as were those that showed signs of having been used for mailing purposes. Stamps were to be presented for redemption within 30 days at specially designated post offices, but no guarantee was given that funds would be released within that period. Any stamps offered for redemption after the 30 day grace period would be refused.

First postal currency issue 25c denomination



In January 1863 the *United States Mail* reported on the redemption process in New York City:

The redemption of postage stamps which have been used as currency, has been in progress at the New York office since the 15th ult., and up to this time the number of packages over \$5.00, for which receipts have been given, is 2,462, to the value of \$180,000, of which about \$23,000 have been paid. About \$6,000 in sums of less than \$5.00 have been paid on presentation. It is believed that the greater part of the large lots have been deposited, although the long line of applicants shows, as yet, no sign of diminution. The hour for commencing redemption is 10 A.M., but long before that time the lobby is crowded with those desirous of "realizing" on their gum-backs. At 2 P.M., the hour for closing, a large number are daily "left out in the cold," but they usually bear their disappointment philosophically, and console themselves by endeavoring to secure "front seats"

by an early call the next day. Various ingenious dodges are resorted to by some to avoid the tedious necessity of waiting their turn, but most of such attempts are rendered abortive, by the vigilance of the officers detailed to preserve order in the line, and the rule of "first come first served" is in general rigidly adhered to.

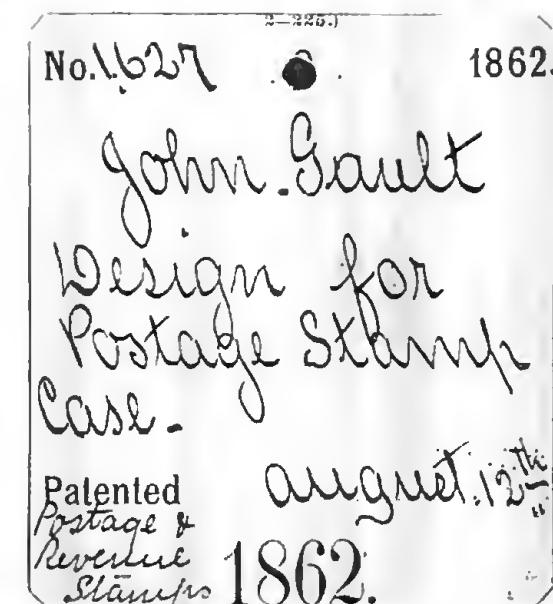
Some ten clerks are employed in receiving, receipting for, counting, and inspecting the stamps offered—and the latter duties will probably occupy them for a considerable time beyond the period (15th inst) fixed for the cessation of the redemption at the New York office.

Partially
TRUE
see
the
"Encyclopedic"
for full
truth —
Milt F.

Drawing upon Spinner's ingenious expedient for its inspiration, the first postal currency issue was the government's next answer to the severe shortage of coin in circulation. These printed paper notes had perforated edges, like overgrown postage stamps, and were issued in denominations of 5c, 10c, 25c, and 50c. These were first issued in August 1862, principally to army paymasters; by September sales to the public commenced. Demand was extremely strong at first, and permits had to be issued allowing the bearers to purchase fixed amounts of the new issue. Lines formed outside Treasury offices as they had outside post offices, and in the New York City Sub-Treasury a sign was posted asking the public's forbearance until adequate supplies of the issue had been received.

By the summer of 1863 the coin shortage emergency had begun to fade. Over \$20 million worth of the postal currency issue was sold by May 27, and the Treasury had distributed over \$30 million worth of greenbacks.

Introduction to Encased Postage Stamps



The original model for encased postage stamps as submitted by John Gault to the Patent Office.

It was into this milieu that John Gault introduced his scheme for encasing postage stamps as currency. When the idea came to him is unknown,



A specimen promotional print for the centennial of the stamp-printing activities of Thomas De La Rue & Co. Ltd.



A coil test print engraved by Sven Ewert and used at the Swedish Post Office Stamp Printing Works.

Perhaps we are biased from having worked as an editor at various times, but the *common* application of the term "proof" today in ordinary commerce is to something made prior to issuance of a desired piece of printing and intended to be used to consider approval or acceptance—or to suggest changes leading to final approval—before production of the item to be released is started. Certainly that is what the first preliminary stamp prints were made for back in 1840, at the beginning of stamp production. It is only because of a certain undeniable appeal which comes from a print (and partly why we are collectors) that the distinction and application of the term has gotten blurred. For example, in the 19th century in the U.S. it was popular to have a batch of special prints made up from regular working plates, have them packaged by sets or placed in albums, and then given away. This was done at least six major times, including once in the early 20th century, and there were probably lesser occasions. These were called "proofs" left and right and still are today. But think about it—they weren't really proofs, they were souvenirs, samples, political favors—you name it.

So we are certain that in our effort to say "Let's call a spade a spade" and not an "excavation instrument," we aren't going to be overly appreciated or accepted. Still, we think the true situation needs to be spelled out, now and then, and not just glossed over as it has been for at least a hundred years.

Yet today we have to say that things productionwise here in the U.S. have returned essentially to their original state; that is, that proofs (and essays) are now made officially only before issuance of the desired final product... which we think is the way it should be. Thus the so-called die proofs associated by some with the several recent souvenir cards of the Bureau of Engraving and Printing are not such at all—instead they are die prints, or a late "proof" if you have to use

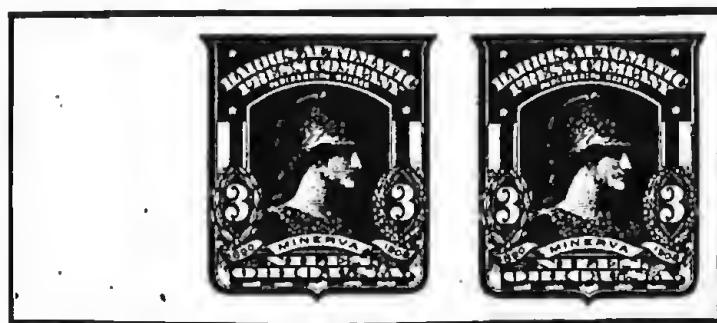
the word. They are made to sell and are not preliminary but final. Also, consider the souvenir cards that the BEP have put out for currency—does anyone call them die proofs? No, they are die prints or essay die prints—in fact, few have probably even thought about that, one way or another. So is there any reason to claim that late prints from a die after approval and issuance of the stamps are any different from prints made from a plate after approval in a generic sense? Everything printed from a die is no more a proof than that everything printed from a printing base is for production. Purpose and timing are also involved. Oh sure, there is a reason—and we disagree with it—and that reason is alleged sales appeal. It apparently sounds more valuable to call something a proof instead of a print regardless of the facts in the case—the so-called "Madison Avenue" approach. But we don't have to wear blinders—the prints are still wonderful to possess, whatever they are called (and we have a fair number of them). All that we are saying here is, "Isn't it about time we started calling them what they actually are?" Well, at least as much as we can!

Now finally our list of common other terms in use:

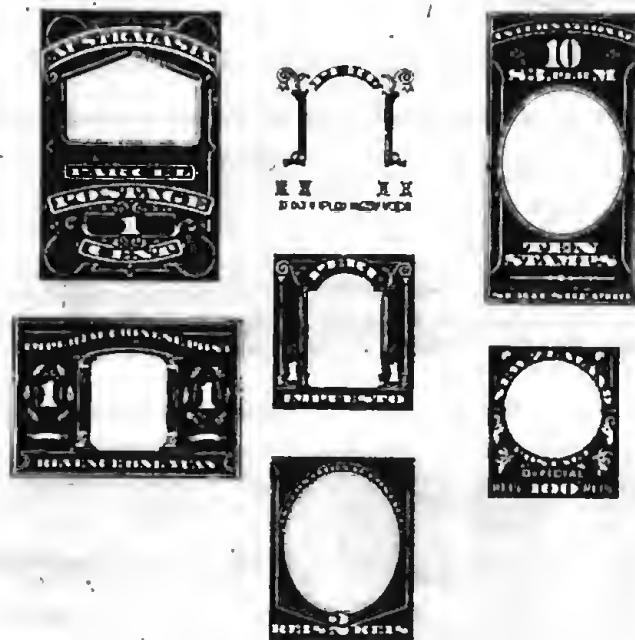
- original print (print by artist or authorized by same and from "plate" made by artist; not a reproduction).
- trial proof, trial color proof.
- printer's proof (proof with the final O.K. for production—also *bon à tirer*).
- progressive proof (shows current condition during development of work—also used to indicate different color segments in multicolor work).
- cancellation proof (shows marks of cancellation).
- counter proof (a setoff print from a "wet" direct print).
- restrike (similar to reprint).
- pull (to make an impression or print).
- artist's proof (one of a supply of prints made for the artist's own use as desired).
- working proof (similar to a trial proof but indicating changes to be made).

Selected references:

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- Brett, George W., 1979, "Practice Engravings": *The Essay-Proof Journal*, v. 36, pp. 155-158.
- Gascoigne, Bamber, 1986, *How to Identify Prints*: Thames and Hudson, Inc., New York, NY 10110, 208 p., esp. p. 206.
- Mish, Frederick C., editor-in-chief, 1985, *Webster's Ninth New Collegiate Dictionary*: Merriam-Webster Inc., Springfield, MA, 1564 p.
- Mueller, Barbara R., 1984, "Peckmore-iana": *The Essay-Proof Journal*, v. 41, p. 74.
- _____, 1987, "De La Rue/Giori Test/Promotional 'Notes,'" Part I: *The Essay-Proof Journal*, v. 44, pp. 20-24.
- _____, 1987a, "U.S. 1912 'Mystery Stamps' Called 'Experimentals' or 'Dummies' by BIA": *The Essay-Proof Journal*, v. 44, pp. 125-128.
- Sefi, Alexander J., 1932, *An Introduction to Advanced Philately*, 2nd edition: Rowley & Rowley, Ltd., London, 130 p.
- Shapiro, Cecile, and Mason, Lauris, 1976, *Fine Prints—Collecting, Buying and Selling*: Cornerstone Library, New York (Harper & Row, Publishers, Inc., N.Y.), 256 p.
- Theuss, Peter U., 1988, "Essays, Proofs, and Special Printings—Germany, 1849-1932": *The Essay-Proof Journal*, v. 45, p. 113 et seq.
- Zigrosser, Carl, and Gaehde, Christa M., 1965, *A Guide to the Collecting and Care of Original Prints*: Crown Publishers, Inc., New York, 120 p. (Sponsored by The Print Council of America).



Another specimen print, often misclassified, by the Harris Automatic Press Co. to demonstrate its prowess with offset stamp printing.



The practice engraving first described by the author in 1979.

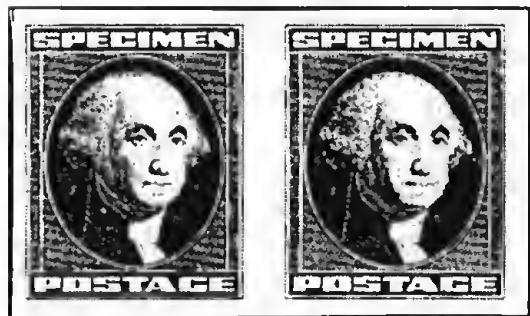
Our list of terms doesn't mean that we object to the use of other terms that might be more specific in certain examples; not at all, and we shall present at the end a list of other terms, some of which have been and are being used both philatelically and in the art world.

"We feel some revision is in order in light of present-day and world use of essentially four different major methods of stamp printing."

3. A proof is a print from a design on a die or a printing base for progress or approval purposes *made prior to issuance* of the intended stamp or stamps.
4. A print is an inked pull made from a die or printing base, *at any time*, approved or unapproved.
5. A late "proof" is a pull from a die or printing base *after first issuance* of the related stamps. Therefore, it is made for purposes other than approval or determination of progress. Our use of quotation marks on the key word signifies that it is being used in a simulated sense and not in its ordinary meaning. In England, we understand, they use the term "posthumous proof" for the kind of print situation we are considering here.

In further explanation, we add consideration of three kinds of items that are peripheral to regular stamp production but for which essays, proofs, and assorted prints can exist, viz.: specimens, test, and practice designs.

- (a) Specimens. Prints made as examples of a firm's ability, including for advertising, commemoration, and salesmen's samples. These are usually private issues with items commonly including the word "specimen" as part of the design. (See Mueller, 1984, and Fig. 1 in Mueller, 1987.) (There are other kinds of specimens such as those provided as examples to the UPU by issuing countries.)
- (b) Test items or designs. These comprise another category that has been developed and used mainly for experiments by many printing plants, officially or unofficially, including the U.S., Germany, Japan, Sweden, and Switzerland (see Mueller, 1987a).
- (c) Practice designs/engravings. These are not often found on the market but many have been and continue to be made in training and by individuals endeavoring to improve their capabilities (see Brett, 1979).



The H.L. Peckmore "Specimen" U.S. print made to demonstrate the engraver's ability to produce complete stamps and to solicit business (2 x).

There are some overlaps here. In other words, a print can be an essay, a proof, a late "proof," or an issued product, or even any of our a, b, and c items but there is nothing new about that. Contrariwise, a proof can be an essay or an accepted prior-to-issue print. But we are aware that we cannot always be completely satisfied with strict definitions, for experience shows that arbitrary subjective criteria will blur our distinctions. We just feel that Brazer's two general definitions do not adequately handle the many prints that really are not actually essays or proofs in the common meaning of the two words as we understand them. It should also be noted that we placed quotation marks on "official" twice in our no. 2 breakdown. This is because we feel that the definitions we've used can be applied to any similar production, official or unofficial, including a stamp design that we could have printed for ourselves if we so desired, as Sefi did in his book on advanced philately (Sefi, 1932).

with all of these possibilities of purpose, the rule in the past has been to lump everything, except actual production items, under proofs (or essays) with subclasses for kind such as die, plate, and/or trial color.

Anything prior to the final accepted design has also been termed an essay if legitimately involved in postal service design consideration. That provides a pretty broad scope. For example, if one makes up a design for some issue that he would like to see and sends it in to the right place, does that make it an essay? We say no, but what if at some later time the postal service issues a stamp for the same purpose even if an entirely different design? Brazer would apparently have considered the early item as an essay, though of course we are guessing on that. But take, for instance, the several design contests that have been run in the United States. If we use Brazer's broad definition of an essay, all of the designs submitted for consideration in official contests are essays. Take the duck stamp contests each year (even if not involving the postal service in this case). Aren't all of these submittals to the governmental authority involved essays, including the winners? According to the Brazer definition they would be. The winners would be included in this case because lettering and denomination are added later.

Anyway, one of the reasons for this exercise of ours is that many of the so-called stamp proofs that we have today are not really *proofs* but *prints* pulled for other purposes, and so we are trying to figure a way to properly distinguish them by words, if not in actuality. In ordinary printing, of course, one has galley proofs and page proofs, but here we are dealing with a somewhat restricted, specialized area. Still, the idea should be that proofs are preliminary and in advance of production. Yet the concept of proof should also include the final approved state that clears the way for production and this involves both the die and the printing base(s).

"It apparently sounds more valuable to call something a proof instead of a print regardless of the facts in the case...."

Referring back to some of the definitions given earlier, the one for "proof" from Gascoigne, 1986, is interesting in that he mentions that the use of the term was so enlarged at one time that it became meaningless. While this term was being applied to artist's prints and not to a production item like postage stamps, one has to say that our present application of "proof" has become similar and almost meaningless, too. Check also the definition for "proof" from Shapiro and Mason, 1976, that a proof is a print made at any stage of work. Well, that's quite broad and we would argue that the word "preliminary" should be inserted before "stage." The 6b definition for "proof" from Webster's Collegiate Dictionary is a nice compact one but does not include any time restraint either, which we feel should be involved. So perhaps we are the one in "left field," but to a printer a proof has a definite and distinct meaning and purpose and we think that should be the case for the philatelic community as well.

The Brett Classification

We propose, then, a five-way division of the items that we deal with philatelically, in place of Brazer's two, viz.:

1. Preliminary artist design creations, including photographic manipulations before production such as sketches, models, drawings, etc. This category would also include mockups, usually part printed and part handwork.
2. Essays. Prints from a die or printing base made for "official" purposes which bear an incomplete or "officially" unapproved version of a stamp design. Essay prints are also proofs.

Proof: "6a: a copy (as of typeset text) made for examination or correction.
"6b: a test impression of an engraving, etching or lithograph."

"How to Identify Prints" (Gascoigne, 1986):

Does not include the term "essay" in its glossary-index.

For a proof definition the author indicates that the original usage referred to a print taken before the printing base was finished by an artist—in other words before publication—so that one could see how things were coming along. Then, however, the word began to be applied so generally that it lost its usefulness.

"Fine Prints" (Shapiro and Mason, 1976):

Does not consider "essay."

"Proof. An impression of a print in any medium made at any stage of work."

Now, we might call the preceding some of the common or art world definitions, so we add Brazer's last definitions of which we are aware. From "The Various Kinds of United States Essays and Proofs," as revised by Brazer in 1947 (Brookman, 1947):

"Essays

"An essay is a design for a stamp submitted to a government for approval and is generally in the form of...models, original drawings or large die essay engravings, though in a number of cases finished plate essays fully gummed and perforated, and sometimes grained, were submitted for approval. If the design is different, in any particular, from the design sold as a stamp, it is an essay.

"Upon final approval of a design from which stamps are issued these essays become proofs. Any print, not a stamp sold by the Government, printed from an officially approved design die or plate is a proof, no matter in what color, nor material upon which it may be printed for experimental purposes, at any time during the existence of the die or plate. All essays and proofs are printed only by the proof printer or proofer on a hand press."

Of course, there are sub-class uses of these terms with which we have no particular argument; for example, die essays, plate essays, die proofs, hybrid proofs, trial color proofs, cardboard proofs, India paper proofs, etc. No, our concern is at the major or beginning level and while Brazer's two definitions have been a simple enough pair here in the U.S., and have been more or less accepted for many years, there are some problems with them. We feel some revision is in order in light of present-day and world use of essentially four different major methods of stamp printing. (There are a few other methods rarely used thus far for postage stamps.) Brazer, however, was essentially considering just the line-engraved intaglio method, which was about all that he had to deal with in his time for U.S.

To carry the matter further we offer another definition of a proof:

"A proof print (or proof) in printing is one taken prior to issuance of the final product for purposes of showing progress of the work, how something looks, or the effect of different colors, to and including the final accepted state of the die or printing base in question."

"...Let's call a spade a spade and not an 'excavation instrument'...."

Prints may be taken later to check the condition of a die or printing base, to consider modifications, or even to show existence. Prints may also be taken for use as salesmen's samples, as gifts to officials and others, for exhibit purposes, for use in souvenir card production, for record (reference) purposes, and as an example of an engraver's work. These many other purposes, we say, do not constitute proofs in the ordinary meaning of such. Yes, sample prints, in the viewpoint of the producing firms or engravers, are proof of what they can do but that is not a proof in printing as we understand it. As for samples of what firms can do, it would seem that actually issued stamps would be more meaningful and indicative of companies' abilities. Still,

With a View Toward Accuracy, Reality, and Standardization **A Discussion of the Terms "Essay" and "Proof"**

by GEORGE W. BRETT

THIS article is an exploratory piece to see whether a system of nomenclature can be devised that is more meaningful than that presently in use which revolves around the two terms of "essay" and "proof." The usage of these terms by the U.S. philatelic community today was essentially established years ago by Clarence W. Brazer, with each term primarily exclusive, each to the other, but allowing an essay to convert to a proof depending upon appropriate approval(s) by the issuing authority.

Our effort has been triggered by a coincidence of several things:

1. Recuperation from a critical operation in a nursing home, which provided a lot of time to think.
2. The tackling of a complex and hopefully far-reaching article on 19th century U.S. dies where the two terms unavoidably had to be dealt with.
3. Comments in the commercial philatelic press that certain souvenir cards currently being issued by the Bureau of Engraving and Printing included die proofs in their makeup. In view of the action and purpose involved, this seemed absurd even if this has been the conventional consideration of such.
4. Being asked to review a draft of an extensive article by Peter U. Theuss on essays, proofs, artist renditions, etc. of the German area and noting some of the definitions that others had developed in the last century or so.

Admittedly if we could divide everything into couplets life could be very simple—like male and female, yes and no, black and white, yin and yang, heaven and earth, right and wrong, and on and on including essays and proofs, but there are many things that don't fit a dual mode. Sometimes there is only one, and sometimes many categories. Sure, we have a touchy subject and we've avoided tackling it for years, but it has finally gotten under our skin enough that we have to try to come up with some scheme or set of definitions that we think is closer to reality, or what we think is reality. We don't expect our ideas to be popular, but at least we hope they will be rational and, above all, useful. After all, we are not dealing with a sacred cow, a religion, or some obscure concept but actual items of commerce and industry that exist, are constantly being made, and are also being destroyed to a certain extent, which is the common end of proofs after they have served their purpose in the ordinary world.

First of all, what are some of the "customary" definitions of essays and proofs? We are only going to present a few examples, and as we are dealing with *prints* we shall pick those definitions that appear most applicable:

Merriam-Webster Collegiate Dictionary, Ninth Edition (Mish, 1985):

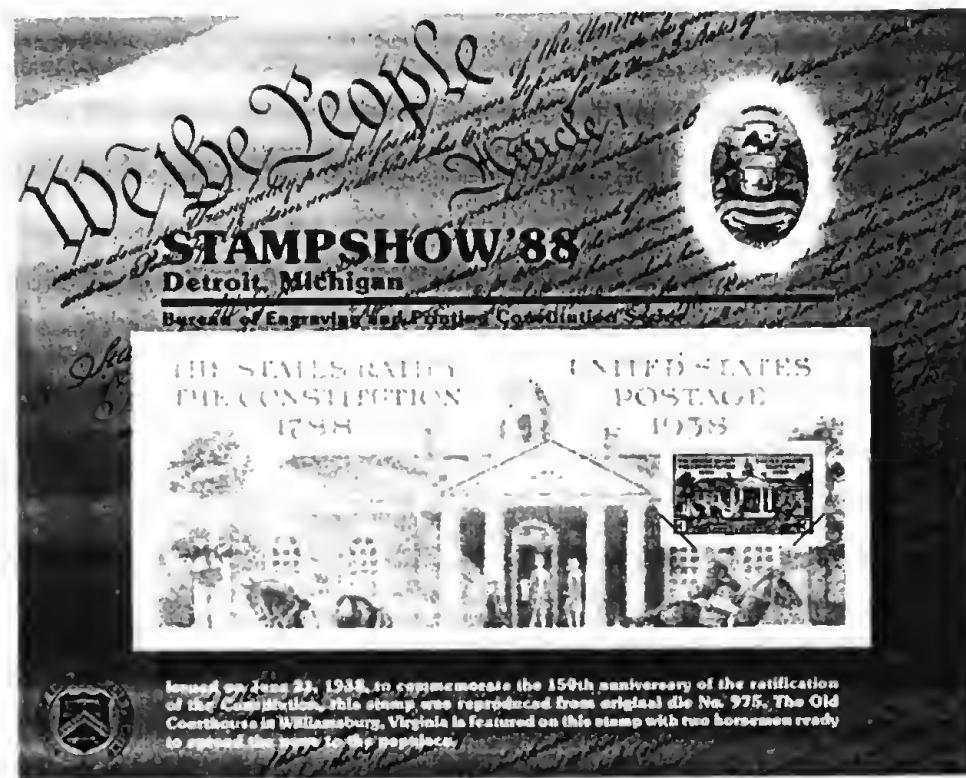
Essay: "1. TRIAL. (or) TEST.

"2b: result or product of an attempt.

"4: a proof of an unaccepted design for a stamp or piece of paper money."



A close-up of the die print or late "proof," according to the author's classification.



BEP souvenir card issued for STAMPSHOW '88 showing what has been incorrectly called a "die proof" of the U.S. 1938 Constitution ratification issue of 1938. Note that the legend states, "The stamp was reproduced from original die No. 975" and that the print has been defaced with black lines through the numerals.

Can you say, "Trompe d'oeil"?

It was a short-lived genre that now sells for up

By David C. Harper

Paper money collectors are very familiar with art as money. The numerous vignettes that adorn various issues of bank notes augment their appeal as collectibles.

Turn that relationship around — money as art — and you arrive at the theme of a recent New York City art gallery exhibition. From Nov. 11 to Dec. 17, 1988, Berry-Hill Galleries mounted an exhibition of paintings in which bank notes and other everyday objects were major elements.

Title of the exhibition was "Old Money: American Trompe L'Oeil Images of Currency." Trompe l'oeil, according to Webster's *New Collegiate Dictionary*, "is a style of painting in which objects are depicted with photographically realistic detail."

Even if you can't pronounce it, you might be tempted to try to carry away the barrels of bank notes or scrape the large-size Legal Tender Notes from the mat or board on which they "obviously" have been glued. The images are that realistic.

Certainly, the artists were clever enough to fool even seasoned critics. A lengthy essay prepared for the exhibition catalog by Bruce W. Chambers, an art historian who organized the exhibition, is replete with specific accounts.

"There is fraud hanging on the institute walls," read a blast from *The Chicago Inter-Ocean*'s art critic when U.S.A. by John Haberle was unveiled at the Chicago Art Institute. "It is an alleged still life by Haberle (in which) a \$1 bill and the fragments of a \$10 note have been pasted on canvas."

That's what the critic

thought. He was helped to a generous helping of crow. Haberle traveled to Chicago and convened a meeting of experts for the critic's benefit. In his presence, "The lens was used, the paint was rubbed off and the whole ingenious design proved really a work of imitative art."

The critic publicly apologized. Unfortunately, the U.S. Secret Service was not so responsive to reason or to the needs of art. Perhaps these aggressive civil servants and their bosses were just prisoners of their age.

According to Chambers, realistic portrayals of paper money were few and far between before a whole American school of art grew up around this theme. He dated the rise of this particular school to 1877, when William Michael Harnett first put brush to palette for his numismatic creations.

A couple of his paintings were publicly displayed in New York City saloons. They soon came to the attention of the Secret Service. Agents seized one of the two and shipped it to the Treasury in Washington. They then paid a visit to Harnett looking for additional "counterfeits."

Despite the fact that the Treasury decided to return the painting to its owner, Harnett took the visit as a word to the wise and discontinued using paper money themes.

Though the Treasury had requested that the realistic paintings be hung in private, the owner thumb'd his nose at officialdom and put them back on public display.

Other artists enjoyed the cat-and-mouse aspects of Secret Service policy. Haberle took to painting clippings of stories about counterfeiting right along

with the bank notes. On a painting called *Can You Break a Five?* he even reproduced the full text of the warning against counterfeiting that appears on the back of the \$5 U.S. Note.

To be fair to the Secret Service, Chamber's essay describes at length the environment in which its agents labored. He pointed out that in the then-recent past, up to 40 percent of state bank note issues were counterfeit. Even the federal currency was under steady siege.

One particularly clever counterfeiter was not apprehended for years. He was nicknamed "Jim the Penman." His work was held up by the *New York Times* as of such high quality that nine in 10 Americans would accept it without the least suspicion. From 1883 until 1896 these fake notes befuddled the Secret Service. Until a farmer in New Jersey named Emanuel Ninger was discovered to be the culprit, artists who used paper money as a theme were under a cloud. But, certainly, that didn't stop them.

The reasons so many American artists would focus on paper money during a period that lasted roughly 30 years were explored by Chambers. In so doing, he lays out a monetary and social history with which many paper money collectors are familiar:

The battles of the sound gold money advocates with the inflationary free-coining-of-silver populists came to dominate society even as all America was toiling up an incline that eventually led America to the top of the world's economic mountain.

Americans were fixated on money and the process of getting it. They had seen during the Civil War how

quickly it could be destroyed by inflation. Later, farmers and laborers saw how hard it was to earn during deflation. Artists chronicled and commented upon both aspects of the monetary debate through their work.

William Jennings Bryan's "Cross of Gold" speech in 1896 inspired Victor Dubreuil to paint a work by that title. The viewer may wonder why it is composed of nothing but bank notes until he notices that they are mostly Silver Certificates riven with golden nails.

But even as Calvin Coolidge was uttering his famous quotation, "The business of America is business," the money painters' art form was already passing out of favor and into history.

Congress took a large swipe at it in 1909 when it passed a law banning the creation of all images of paper money. With this on the books, some paintings were confiscated and destroyed by the Secret Service.

Whether part of it was due to pressure from authorities or not, some artists tempered their work by subtly altering the notes they painted. Portraits were put on the wrong denominations, zeroes were added to denominations and whimsical signatures even appeared.

All in all, paper money in paintings form a wide body of work. A major purpose of the exhibition at Berry-Hill Galleries was to bring it back into the spotlight.

Artists today are even re-exploring this once active area, a story from the *New York Times* points out.

Collectors may want to re-explore the numismatic industry's recent history, which is the story of an attempt to change the definition of coins and paper

money from collectibles to investments. The likelihood that this was a colossal blunder becomes all the more apparent in looking at the works of the money painters.

The purpose of the attempted redefinition was to enhance the value of the bank notes in the hobby's hands. How much better it might have been had the attempt instead tried to blur the line between collectibles and art. This can be seen in the prices of the paintings.

A Haberle painting called "Imitation" was purchased by Berry-Hill in May, 1987, for \$500,000 at a Sotheby auction. Its asking price at the exhibition was \$1.75 million. Even the works of virtual unknowns in the field were priced from \$5,000 to \$100,000. Those are enough to turn numismatic investment advisors green with envy. The advisors who specialize in paper might also turn blue, red and gold.

But, it may not be too late. The *Times* reported that one of the current group of artists, Barton Benes, may be blurring the line for numismatics. His chosen medium is paper money itself. Raw material is uncut sheets. Taking a sheet of 32 \$1 notes that anyone can purchase from the Bureau of Engraving and Printing, Benes folds it into a sculpture. The finished product is worth \$2,000. It makes any collector wish he could do the same to the worn saddle blankets stashed in his safety deposit box.

The combination of numismatic, social and art-form history gives this 132-page exhibition catalog an appeal to paper money collectors. Copies may be purchased for \$25 from Berry-Hill Galleries, Inc., 11 E. 70th St., New York, NY 10021.

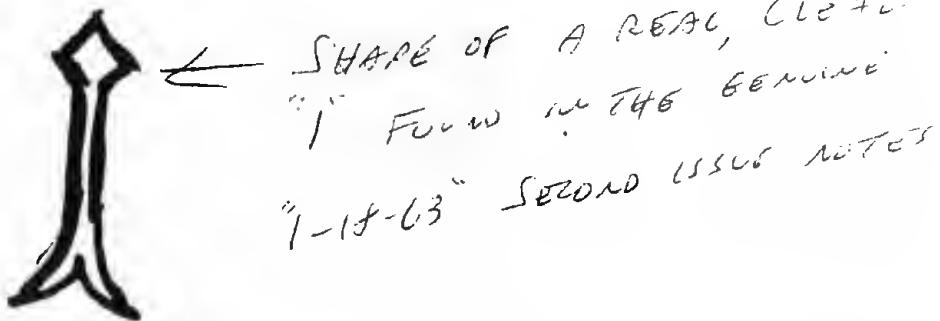


Habberle's painting shows a cluttered desk with banknotes, a portrait, and other items, illustrating the 'Bachelor's Drawer' theme.

2/27/89

Milt - As we discussed - three things for the next club newsletter: *FROM MARTIN GINGERKE*

- 1) Once again an effort has been made to foist on the public a fake variety that was debunked years ago. The Rothert sale in the early 1970's had a "Fr.1287" which was then listed as a "1-18-63" surcharge on a second issue 25¢. The Robert Friedberg reference has had the good sense and integrity to de-list this note, but the same Rothert note has now appeared in a Pacific Coast Auction Galleries sale of February 24, 1989. The genuine "1-18-63" surcharge, as found on the 10¢ and 50¢ notes, has a "1" with a diamond top and split bottom (see illustration). To be considered real and command a premium the "1" must be sharp and clear, and look like this. The fake note being re-offered has an indistinct blob that is nothing more than a sloppily printed "2". If you spent good money on this piece of junk - RETURN IT!!!



- 2) The same Pacific Coast sale had what was described as a fourth issue 25¢ narrow margin reverse. This piece was not examined, but looked in the photo like half of a "split" note that has been bouncing around for years. If you bought this one, have it checked by someone qualified.
- 3) The FCCB is indebted to Stack's, of New York, for their generosity in paying our 1989 club dues in the ANA.

FRACTIONAL CURRENCY

By Nancy Wilson

I am interested in all areas of the numismatic hobby, but my overall favorite is paper money. I particularly enjoy collecting and exhibiting United States Postage and Fractional Currency notes, which were issued between 1862 and 1876. The "small change" notes contained within the series are fascinating collectibles that are interesting, beautiful, colorful and very historical. Coming into existence because of the shortage of specie caused by the Civil War, the earlier issues were produced by private bank note companies, under the watchful eye of the government.

The earlier issues contain no Treasury seals or officials' signatures and the Third through Fifth Issues contain hand autographed notes. I especially like the famous persons portrayed on fractional notes; Francis Spinner, Spencer Clark, Washington, Jefferson, Lincoln, Sherman, Grant and others. The fascinating Second issue embodied several technical innovations in the printing of paper money that still exist today, to help deter counterfeiting. The faces and backs were all uniform in size and similar in design. Washington's portrait appeared on all denominations, bronze overprints and surcharges were added, and the notes were printed on spider or membrane paper.

Fractional currency is easy to collect and only 23 notes constitute a type set of five different issues. Because few people have an interest in "fractional," these notes are available in Uncirculated condition for very reasonable prices. The many different varieties contained within the fractional series makes it a real challenge to get a complete 155 note set of regular issue notes in high grade. When your regular issue set is complete you can collect a fractional shield, specimen, essay or experimental notes and sheets. Out of the 369 million issued, only 500,000 remains extant, which represents less than .132% of the total amount issued. Compared with coins, choice fractional is very rare and only a small influx of new collectors would dry up the market in no time.

Nancy Wilson is a collector and also a member of the Board of Governors of the ANA.

BELOW:

An 1863 Five-Cent Fractional Currency Note



End of Part I. Part II will appear in Rare Coin Review No. 71

SECOND ISSUE 5 Cent Note Known Varieties

CORNER SURCHARGE	NONE 10-63 S-10-63 A-10-63 1-10-63 2-10-63 0-63 R-1-10-63 T-1-10-63 0-1-10-63 R-2-10-63 T-2-10-63
THICK GRAYISH WHITE PAPER	3 1 1
GRAYISH WHITE PAPER	
THIN GRAYISH WHITE BOND	1,2 2
THICK YELLOWISH WHITE BOND	1 3 2,3,4
YELLOWISH WHITE BOND	
THICK WHITE BOND	
CREAM WHITE PAPER	
COARSE FIBER PAPER	

KEY TO COLORS LISTED ABOVE:- 1) YELLOW BROWN, 2) BROWN, 3) DARK BROWN, 4) LIGHT BROWN

SECOND ISSUE 10 Cent Note Known Varieties

CORNER SURCHARGE	NONE 10-63 S-10-63 A-10-63 1-10-63 2-10-63 0-63 R-1-10-63 T-1-10-63 0-1-10-63 R-2-10-63 T-2-10-63
THICK GRAYISH WHITE PAPER	
GRAYISH WHITE PAPER	
THIN GRAYISH WHITE BOND	5 5 5 5
THICK YELLOWISH WHITE BOND	6 6
YELLOWISH WHITE BOND	6 6
THICK WHITE BOND	6
CREAM WHITE PAPER	
COARSE FIBER PAPER	

KEY TO COLORS LISTED ABOVE:- 5) LIGHT GREEN, 6) DARK GREEN, 7) GREEN

SECOND ISSUE 25 Cent Note Known Varieties

CORNER SURCHARGE	NONE	B-63 S-B-63 A-B-63 I-B-63 2-B-63 0-B-63 R-I-B-63 T-1-B-63 0-1-B-63 R-2-B-63 T-2-B-63
THICK GRAYISH WHITE PAPER		12 8,12
GRAYISH WHITE PAPER	8	10,11
THIN GRAYISH WHITE BOND		8,9 8,11,13
THICK YELLOWISH WHITE BOND		8,13
YELLOWISH WHITE BOND		
		8,14
THICK WHITE BOND		
CREAM WHITE PAPER	8,9	
COARSE FIBER PAPER		
		8,12,15
		8,12,16

KEY TO COLORS LISTED ABOVE:- 8) PURPLE, 9) DULL PURPLE, 10) BRIGHT LILAC, 11) DARK SLATE(STEEL), 12) PLUM(DARK PURPLE,
13) ROSE LILAC, 14) VIOLET, 15) PALE LILAC, 16) LILAC

SECOND ISSUE 50 Cent Note Known Varieties

CORNER SURCHARGE	NONE	18-631S-18-631A-18-631I-18-6312-18-631O-631R-1-18-631T-I-18-631O-I-18-631R-2-18-631T-2-18-631
THICK GRAYISH WHITE PAPER		
GRAYISH WHITE PAPER	18	
THIN GRAYISH WHITE BOND		17,19
THICK YELLOWISH WHITE BOND		17,19
YELLOWISH WHITE BOND	17,19	17
THICK WHITE BOND		
CREAM WHITE PAPER		
COARSE FIBER PAPER		17 17,20 17

KEY TO COLORS LISTED ABOVE:- 17) CARMINE OR PALE PINK, 18) ROSE CARMINE, 19) VERMILLION OR SCARLET, 20) LAKE